

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LTD.



21st Annual General Meeting 29th Annual Report Of Activities & Financial Profile 2007 – 2008

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SOCIETY'S PROFILE

Established in Year 1979

(Registered under section 10 of the Co-operative Societies Act 1925)

Registration Certificate Number SKM 801 dated 05-02-1979

(Status changed to Multipurpose Society on 18-04-2004)

BOARD OF DIRECTORS:

1.	Mr. Mohammad Noorudin Ali Mohammad	President	Elected	09-09-2007
2.	Mr. Shahabuddin A. Kabani	Vice President	Elected	16-12-2006
3.	Mr. Sadruddin Shariff	Hon. Secretary	Elected	25-12-2005
4.	Mr. Habib A. Khairani	Hon. Treasurer	Elected	23-03-2005
5.	Mr. Salahuddin Samji	Hon. Jt. Secretary	Elected	16-12-2006
6.	Mr. Asad Ali Rehmat Ali Sheikh	Director	Elected	16-12-2006
7.	Mr. Fareed Fida Hussain	Director	Elected	23-03-2005
8.	Mr. Abdul Aziz Ahmed Ali Patel	Director	Elected	23-03-2005
9.	Mr. Akber Ali Hassan Ali Jindani	Director	Elected	16-12-2006
10.	Mr. Anwar Ali Tahir Ali Dawoodani	Director	Co-opted	09-09-2007
11.	Mr. Sohail Amir Ali Punjwani	Director	Co-opted	09-09-2007

OFFICE STAFF

<u>S.No.</u>	<u>Name</u>	<u>Designation</u>
1.	Mr. Ashraf Nizar	Office Secretary
2.	Mr. Pyar Ali M. Vellani	Office Assistant
3.	Mr. Mehboob Ali Lalji	Office Assistant
4.	Mr. Amin	Office Assistant
5.	Mr. Aziz Amir Ali Kanji	Office Assistant
6.	Mr. Ahmed Ali Bhai	Office Assistant
7.	Mr. Mohammed Zafar Baig	Recovery Officer
8.	Mr. Habibullah Rajab Ali	Outdoor Assistant
9.	Mr. Syed Zaheer Shah	Office Boy
10.	Mr. Jan Mohammad	Office Boy

AUDITORS:

1.	M/s Feroz Aziz & Co.	(Chartered Accountants)
2.	Government Special Auditors	Appointed by Registrar Co-op. Societies

HONORARY TAX ADVISOR:

1.	Mr. Feroz Admani Of M/s Feroz Aziz & Co.	F.C.A (Chartered Accountants) 30-09-1999 - Todate
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HONORARY LEGAL ADVISOR:

1.	Mr. Sultan A. Allana	(Advocate) 01-02-2000 - Todate
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BANKERS:

1. Soneri Bank Limited
2. Bank Al Habib Limited
3. NIB Bank Limited
4. Askari Commercial Bank Limited
5. MyBank Limited

REGISTERED OFFICE:

C-1 & 2 Salimahabad Colony Block 14, F. B. Area
Karachi. Post Code 75950

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

Phones: 6333176 & 6322189
E-mail: sicmsl@cyber.net.pk

NOTICE OF THE ANNUAL GENERAL MEETING (under Bye-Laws No. V-25)

The 21st Annual General Meeting of The Salimahabad Ismailia Co-operative Multipurpose Society Limited will be held on Sunday, the 30th November 2008 at 11:30 a.m. at Lilly Lawn C-30, Block 13, Water Pump, F.B. Area, Karachi-Pakistan to transact the following business:

AGENDA:

1. To read, review and confirm the minutes of the last Annual General Meeting held on September 9, 2007.
2. To review and adopt the report of the Board of the Directors, and Audited Accounts for the year ended June 30, 2008 under Bye-law V-23-iv.
3. To approve payment of dividend @ 10% recommended by the Board. Under Bye-law V-23-iv.
4. To approve amendments in Bye-Laws as proposed by the Board of Directors.
5. To appoint Auditors for the financial year 2008-2009 and fix their remuneration under Bye-law V-23-ii.
6. To elect President and three Directors on the Board in place of the following, who retire, under Bye Law No. 23 –I but are eligible to be re-elected.

a)	Mr. Mohammad Noorudin Ali Mohammad	President
b)	Mr. Habib A. Khairani	Director
c)	Mr. Fareed Fida Hussain	Director
d)	Mr. Abdul Aziz Ahmed Ali Patel	Director
7. To transact any other business with the permission of the Chair.

By order of the Board of Directors

Sadruddin Shariff

Hon. Secretary

Dated: November 13, 2008

- Share Transactions will remain closed from 13-11-2008 to 30-11-2008 (both days inclusive)
- Nomination forms are available at the Society's Office.
- Qualified Members (holders of atleast 100 shares and free from liability) desiring to contest, may sent their nomination papers to the Society's Office, on or before Tuesday, November 25th 2008 by 8:00 P.M.
- Candidates can withdraw their nomination on or before November 27th. 2008 by 8:00 P.M.
- Scrutiny of Nomination Papers on November 27, 2008 at 08:30 p.m.
- Those members who are defaulters in this Society, or in any other societies shall not be eligible for being elected as President and/or Directors and also will not be eligible to contest the election or cast their vote under Bye-Law 23 iii b..
- If there is no quorum, the meeting will be adjourned for 30 minutes and will be re-held after that on the same date and place for which no quorum will be necessary, under Bye-Laws V-29
- Members are requested to collect Annual Report from the Society's Office.
- Suggestions/Objections, if any are submitted in writing to the Hon. Secretary/ Manager, 48 hours before the meeting.
- Members are requested to intimate to the Society, any changes in their addresses, or nominee.

MEETING WILL BE FOLLOWED BY LUNCH

IMPORTANT:

NON MEMBERS AND MINOR CHILDREN WILL NOT BE ALLOWED TO ATTEND THE MEETING

THE MANPOWER WHO CONTRIBUTED THEIR SERVICES IN THE LAST 30 YEARS

NAME	FROM	TO	YEARS
CHIEF PROMOTOR			
NOOR ALI H. HIRANI (LATE)			
OFFICE BEARERS			
PRESIDENTS			
NOOR ALI H. HIRANI (LATE)	05-Feb-79	22-Jan-82	3
MEHBOOB ALI M. SAYANI	22-Jan-82	08-Apr-88	6
SULTAN ALI H. BHAYANI	08-Apr-88	30-Dec-88	1
HABIB A. KHAIRANI	31-Dec-88	15-Apr-01	12
NOORUDDIN A. LAKHANI	15-Apr-01	TODATE	8
VICE PRESIDENTS			
MEHBOOB ALI M. SAYANI	05-Feb-79	22-Jan-82	3
SULTAN ALI H. BHAYANI	22-Jan-82	08-Apr-88	6
SHER ALI R. VALLIANI	08-Apr-88	30-Dec-88	1
SULEMAN K. DAMANI	30-Dec-88	01-May-90	1
SHAHABUDDIN A. KABANI	01-May-90	24-Sep-93	
	11-Oct-96	TODATE	15
MEHDI MOHAMMED NAZAR ALI	24-Sep-93	11-Oct-96	3
HON. SECRETERIES			
SHER ALI R. VALLIANI	05-Feb-79	08-Apr-88	9
HABIB A. KHAIRANI	08-Apr-88	30-Dec-88	1
A. AZIZ S. PATEL	30-Dec-88	01-May-90	1
SULEMAN K. DAMANI	01-May-90	24-Sep-93	3
KAMALUDDIN H. LALANI	24-Sep-93	02-Sep-95	2
SALAHUDDIN SAMJI	02-Sep-95	11-Oct-96	
	08-Nov-98	15-Apr-01	4
SULTAN ALI H. BHAYANI	11-Oct-96	08-Nov-98	2
SADRUDDIN SHARIFF	15-Apr-01	TODATE	8
HON. TREASURERS			
HABIB A. KHAIRANI	05-Feb-79	08-Apr-88	
	23-Mar-05	TODATE	13
ABDUL RAHIM H. KHAIRANI	08-Apr-88	08-Nov-98	11
NIZAR ALI NOOR MOHAMMED	08-Nov-98	02-Nov-00	2
FAREED FIDA HUSSAIN	15-Apr-01	23-Mar-05	4
NAME	FROM	TO	YEARS
HON. JOINT SECRETERIES			

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

MS. AMTUL RAMZAL ALLY	13-Mar-79	27-Dec-85	
	05-Apr-97	10-Nov-97	8
A. AZIZ S. PATEL	27-Dec-85	30-Dec-88	3
FEROZ K. MERCHANT	30-Dec-88	01-May-90	1
KAMALUDDIN H. LALANI	01-May-90	24-Sep-93	3
SALAHUDDIN SAMJI	24-Sep-93	02-Sep-95	
	17-Apr-98	08-Nov-98	
	02-Jan-06	TODATE	5
MS. LAILA A. R. MAMDANI	02-Sep-95	05-Mar-97	2
HABIB G. ALWANI	08-Nov-98	02-Apr-00	1
SADRUDDIN SHARIFF	02-Apr-00	15-Apr-01	1
ANWER ALI T. DAWOODANI	15-Apr-01	25-Dec-05	5
HON. JOINT TREASURER			
MUSHTAQ MOHAMMED ALI	19-May-93	11-Oct-96	3
PRESENT DIRECTORS			
SHAHABUDDIN A. KABANI	05-Feb-79	TO DATE	30
HABIB A. KHAIRANI	05-Feb-79	15-Apr-01	
	19-Oct-03	TO DATE	27
SALAHUDDIN SAMJI	21-Feb-93	TO DATE	16
AKBER ALI H JINDANI	11-Oct-96	23-Mar-05	
	25-Oct 05	TO DATE	12
SADRUDDIN SHARIFF	08-Nov-98	TO DATE	10
FAREED FIDA HUSSAIN	03-Feb-01	TO DATE	8
NOORUDDIN A. LAKHANI	15-Apr-01	TO DATE	8
ANWER ALI T. DAWOODANI	08-Nov-98	25-Dec-05	
	07-09-2007	TO DATE	8
ASAD ALI REHMAT ALI SHEIKH	19-Oct-03	TO DATE	5
ABDUL AZIZ AHMED ALI PATEL	23-Mar-05	TO DATE	4
SOHAIL AMIR ALI PUNJWANI	25-Oct 05	TO DATE	3
PAST DIRECTORS			
ABDUL RAHIM H. KHAIRANI	08-Apr-88	19-Oct-03	16
GULBANO MEHMOOD	13-Mar-79	19-Feb-93	14
SULTAN ALI H. BHAYANI	05-Feb-79	31-Jul-90	
	11-Oct-96	08-Nov-98	13
NAME	FROM	TO	YEARS
PAST DIRECTORS			
SHER ALI R. VALLIANI	05-Feb-79	30-Dec-88	
	11-Oct-96	08-Nov-98	12

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

ABDUL AZIZ S. PATEL	16-Mar-81	19-Feb-93	12
SULEMAN K. DAMANI	01-Jan-85	10-Nov-96	12
MEHBOOB ALI M. SAYANI	05-Feb-79	08-Apr-88	
	11-Oct-96	08-Nov-98	11
KAMALUDDIN H. LALANI	01-Oct-85	27-Dec-85	
	02-Jan-86	23-Jan-87	
	29-Jan-87	02-Sep-95	11
MS. AMTUL RAMMZAN ALLY	13-Mar-79	08-Apr-88	
	05-Apr-97	10-Nov-97	10
MEHDI MOHAMMED NAZAR ALI	19-Feb-93	08-Nov-98	
	19-Oct-03	25-Dec-05	8
M. RAFIQ BHAYANI	08-Nov-98	25-Dec-05	7
SUBZ ALI E. UKANI	05-Feb-79	01-May-85	6
NAZAR ALI N. SHEIKH	08-Apr-88	01-May-90	
	01-Jun-90	19-Jun-93	5
NASIRUDDIN K. SHAMSY	19-Feb-93	20-Oct-94	
	03-Nov-94	11-Oct-96	4
MS. LAILA A.R. MAMDANY	19-Feb-93	20-Oct-94	
	03-Nov-94	05-Mar-97	4
MUSHATQ MOHAMMED ALI	21-Feb-93	11-Oct-96	4
ANWER ALI P. DAYANI	01-Aug-95	03-May-99	4
NOORALI H. HIRANI (LATE)	05-Feb-79	22-Jan-82	3
HABIB G. ALWANI	08-Nov-98	02-Jun-01	3
MS. YASMEEN AMIR ALI KANANI	30-Dec-88	01-May-90	
	01-Jan-91	19-Feb-93	3
MS. AMINA QAMAR ALI RAYANI	29-Jun-90	19-Feb-93	3
NIZAR ALI NOOR MOHAMMED	01-Apr-98	01-Nov-00	3
KASSAM ALI SAMNANI	22-Jan-82	02-Aug-83	2
FEROZ K. MERCHANT	08-Apr-88	01-May-90	2
HASANALI NOOR MOHAMMED	01-Oct-90	19-Feb-93	2
SHER ALI F. RAJWANI	19-Feb-93	30-Nov-94	2
MEHBOOB K. PANJWANI	03-May-99	15-Apr-01	2
SHAHABUDDIN KURJI JINDANI	02-Jun-01	19-Oct-03	2
SADRUDDIN SUBZALI SAMJI	25-Oct-05	07-09-07	2
NOORUDDIN M. CHARANIA	05-Feb-79	26-Sep-79	1
NAME	FROM	TO	YEARS
PAST DIRECTORS			
KASSAM ALI P. KABA	05-Feb-79	26-Sep-79	1
SHAMSUDDIN G. RAJANI	26-Sep-79	19-Dec-80	1
IQBAL ABDUL AZIZ	01-Mar-81	10-Mar-82	1
MS. NUSBANO GHULAM HUSSAIN	02-Jan-86	23-Jan-87	1

DEEDAR ALI JAMAL	01-May-90	01-Aug-91	1
ABDUL MAJEED K. MERCHANT	01-Aug-95	11-Oct-96	1
BARKAT ALI B. GILLANI	04-Dec-95	11-Oct-96	1

**BOARD OF DIRECTORS' MEETING ATTENDANCE REPORT
FOR THE PERIOD FROM 07-09-2007 TO 05-11-2008**

S. No	Name	Designation	No. of Meetings	
			Held	Attended
1	Mohammad Noorudin Ali Mohammad	President	16	16
2	Mr. Shahabuddin Abdullah Kabani	Vice President	16	15
3	Mr. Sadruddin Shariff	Hon. Secretary	16	14
4	Mr. Habib A. Khairani	Hon. Treasurer	16	15
5	Mr. Salahuddin Samji	Hon. Jt. Secretary	16	12
6	Mr. Fareed Fida Hussain	Director	16	6
7	Mr. Asad Ali Rehmat Ali Sheikh	Director	16	7
8	Mr. Abdul Aziz Ahmed Ali Patel	Director	16	5
9	Mr. Akbar Ali Hassan Ali Jindani	Director	16	14
11	Mr. Sohail Amir Ali Panjwani	Director	16	14
11	Mr. Anwar Ali Tahir Ali Dawoodani	Director	15	11

**21ST ANNUAL GENERAL MEETING
29TH ANNUAL REPORT**

ANNUAL GENERAL MEETINGS

A.G.M	HELD ON	YEAR END	REPORT
1 st	19 th December 1980	30-06-1980	1 st
2 nd	22 nd January 1982	30-06-1981	2 nd
3 rd	6 th January 1984	30-06-1982 & 30-06-1983	3 rd & 4 th
4 th	14 th December 1984	30-06-1984	5 th
5 th	27 th December 1985	30-06-1985	6 th
6 th	23 rd January 1987	30-06-1986	7 th
7 th	8 th April 1988	30-06-1987	8 th
8 th	30 th December 1988	30-06-1988	9 th
9 th	1 st May 1990	30-06-1989	10 th
10 th	19 th February 1993	30-06-1990 - 30-06-1991 & 30-06-1992	11 th -12 th & 13 th
11 th	24 th September 1993	30-06-1993	14 th
12 th	21 st October 1994	30-06-1994	15 th
13 th	11 th October 1996	30-06-1995 & 30-06-1996	16 th & 17 th
14 th	8 th November 1998	30-06-1997 & 30-06-1998	18 th & 19 th
15 th	15 th April 2001	30-06-1999 & 30-06-2000	20 th & 21 st
16 th	19 th October 2003	30-06-2001 -30-06-2002 & 30-06-2003	22 nd -23 rd & 24 th
17 th	23 rd March 2005	30-06-2004	25 th
18 th	25 th December 2005	30-06-2005	26 th
19 th	16 th December 2006	30-06-2006	27 th
20 th	9 th September 2007	30-06-2007	28 th
21 st	30 th November 2008	30-06-2008	29 th

SPECIAL GENERAL MEETING

1ST 18TH April 2004

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members,

The Board of Directors is pleased to present before you the 29th Annual Report on the working of The Salimahabad Ismailia Co-operative Multipurpose Society Limited and Audited Accounts for the year ended June 30, 2008.

MANAGEMENT

In last Annual General Meeting held on September 09th. 2007, the President retired on rotation as per the Bye-laws and is eligible to be re-elected under the Bye-law V-23-ii. Only one nomination paper was filed by Mr. Mohammad Nooruddin Ali Mohammad and was declared elected uncontested. Subsequently in the meeting of the Board of Directors following two directors were co-opted:

- 1) Mr. Sohail Amir Ali Punjwani
- 2) Mr. Anwer Ali T Dawoodani

The Directors on Board for the year 2007 – 2008 were as under:-

1.	Mr. Mohammad Noorudin Ali Mohammad	President
2.	Mr. Shahabuddin A. Kabani	Vice President
3.	Mr. Sadruddin Shariff	Hon. Secretary
4.	Mr. Habib A. Khairani	Hon. Treasurer
5.	Mr. Salahuddin Samji	Hon. Jt. Secretary
6.	Mr. Asad Ali Rehmat Ali Sheikh	Director
7.	Mr. Fareed Fida Hussain	Director
8.	Mr. Abdul Aziz Ahmed Ali Patel	Director
9.	Mr. Akber Ali Hassan Ali Jindani	Director
10.	Mr. Sohail Amir Ali Punjwani	Director
11.	Mr. Anwar Ali Tahir Ali Dawoodani	Director

STAFF

The Board of directors reviewed the performance of the staff and allowed increase in salaries and paid annual bonus @ 10% of the total earnings and made provision for Gratuity to fulltime employee, which was incorporated in the accounts under Bye-law IX (46 d-ii).

To run the working of the society smoothly and in order to prepare second line, the management has appointed two additional staff and replaces one in place of Mr. Navroz Yousuf Ali who resigned for better prospect. At present following staff devoting their services to the society.

1.	Mr. Ashraf Nizar	Office Secretary
2.	Mr. Pyar Ali M. Vellani	Office Assistant
3.	Mr. Mehboob Ali Lalji	Office Assistant
4.	Mr. Aziz Amir Ali kanji	Office Assistant
5.	Mr. Amin Abdul Mohammed Wali	Office Assistant
5	Mr. Mohammed Zafar Baig	Recovery Officer
6.	Mr. Habibullah Rajab Ali	Outdoor Assistant
7.	Mr. Syed Zaheer Shah	Office Boy
8.	Mr. Jan Mohammad	Office Boy

MEMBERSHIP

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

The Membership position as on June 30, 2007 is as under:

FINANCIAL YEAR	OPENING BALANCE	NEW MEMBERSHIP	WITHDRAWN/C EASED	CLOSING BALANCE
2002-2003	866	-	-	866
2003-2004	866	7	15	858
2004-2005	858	195	48	1005
2005-2006	1005	277	37	1245
2006-2007	1245	4	22	1227
2007-2008	1227	1	26	1202
TOTAL		484	148	

Considering the prevailing situation and slow recovery of loans, the board of directors decided to not to open new membership for another one year till June 2009.

LOAN POLICY

Considering the need of the Jamat the Board of Directors reviewed and revised the loan policy. Loan against mortgage of property documents was introduced. Maximum limit was fixed to Rs. 500,000/=. This was suspended for time being in order to prepare property mortgage documents and loan documents for advancing loan against mortgage of property. The matter is under consultation with the legal expertise. On finalization, the loans against mortgage of properties will be commenced.

- 1) Loans against personal Guarantees of members
- 2) Loans against term deposits – Salimahabad Ismailia Co-operative Multipurpose Society Ltd.
- 3) Loans against term deposits – Other Societies
- 4) Loan against Government securities
- 5) Loans against pledge of lease documents – suspended time being already been declared in the directors reports of the society for the year 2006 – 2007 is in force and that no changes what so ever is made.

Appointment of legal advisor/consultant.

In addition to Messrs. Valliani & Valliani Associates the board of directors considering to engage one more advocate in order to be more perfect and accuracies in implementation of loan documents and to fix terms and conditions of loan advance. The Board of directors proposed following advocate to engage for the purpose either paid or honorary.

Advocate - Mr. Sultana A. Allana
 Advocate - Mr. Salim Ghulam Hussain Merchant

Revised Policy Manual approved in the last AGM of the society held on 9th September 2007 is in force and no new amendment what so ever is made. However amendments require if any will be incorporated in the policy manual and will be announced to the members. Revised POLICY MANUAL made available in the office of the Society.

Profit on Deposits

Profit on various deposits fixed as under

Term Deposit for one year 9% per annum
 Term Deposit for two years 9.5% per annum
 Term Deposit for three years 10% per annum
 Saving Deposit accounts declare every six month on daily production basis as on 31st December and 30th June on the basis of balance sheet for the respective periods.

During the year under review it was declared @ 7% as on December 07 and June 08.

Profit on CDS 7% per annum
 Profit on MPPD Cash @ 12% per annum
 CSD @ 4% per annum.

Profit on terms deposit will be revised taking into consideration of policies declared by the SBP.

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

The Society provided financial supports to the following institutions:

1. Aga Khan Education Services Pakistan
2. Aga Khan Foundation for Nazrana Fund
3. The Shia Imami Ismaili Salimahabad Religious Education Center
4. Local Education Board for Karimabad
5. Aga Khan Social Welfare Board for Karimabad

CONDOLENCE

The following members of our society expired during the year ended June 2008. On behalf of all members, we extend heartfelt sympathies to the bereaved families with the prayers that may Allah rest the departed souls in eternal peace and give courage and fortitude to the members of the bereaved families to bear this irreparable loss.

Ruhani Majlis at Salimahabad Jamat Khana will be arranged on _____ for salvation of departed souls of deceased members of our society who passed away since September 09, 2007.

<u>S.No.</u>	<u>Mem. No.</u>	<u>Name</u>
01.	1070	Mr. Sher Ali Gulam Hussain

PROPOSAL OF 6TH AMENDMENT IN BYE LAWS

(III) MEMBERSHIP

Original Text

8. No person shall be a member unless-

Revised Text

8. No person shall be a member unless-

New clause to be added

- v. he/she is and continues to be a Shia Imami Ismaili Muslim

Original Text

14. A person ceases to be a member:-

Revised Text

14. A person ceases to be a member:-

New clauses to be added

- v. If he/she is ceased to be Shia Imami Ismaili Muslim
- vi. If he/she is convicted of an offence involving an act or acts of moral turpitude, on the reason of violent political affiliations, misconduct, or if he/she misbehaves with any member of the Board of Directors or he/she is involved in such activity which conflicts with the law of the Land. Expulsion may involve the forfeiture of all the shares held by him.

(VI) BOARD OF DIRECTORS

Original Text

30 (b) A Director shall be deemed to have vacated his/her office even before expiry of his normal term if:

- iii. After receiving a notice of the date of meeting of the Board of Directors, absents himself/herself at four successive meetings without taking prior leave of absence for reasons which in the opinion of the Board are satisfactory

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

Revised Text

30 (b) A Director shall be deemed to have vacated his/her office even before expiry of his normal term if:

- iii. After receiving a notice of the date of meeting of the Board of Directors, absents himself/herself for three meetings in a year without taking prior leave of absence for reasons in writing which in the opinion of the Board are satisfactory

DIRECTOR'S RETIREMENT ON ROTATION

To elect President and three directors on board who retire under Bye-law No. V-23-iii retire in rotation and being eligible to be re-elected. Retiring directors are

- | | | |
|----|-------------------------------------|-----------|
| 1) | Mr. Mohammad Nooruddin Ali Mohammad | President |
| 2) | Mr. Habib A Khairani | Director |
| 3) | Mr. Fareed Fida Hussain | Director |
| 4) | Mr. Abdul Aziz Ahmed Ali Patel | Director |

ACCOUNTS

Audited accounts and financial statements have already been published and circulated along with the annual reports of the Society. Graphical View of the financial data since establishment has been published in the Report.

Fixed Assets

Addition in fixed assets during the year was made for Rs. 105,500/=

Investment

Investment for Rs. 63.083 million was made with schedule banks, Communities co-operatives and financial institutions in term deposits accounts ranging from one year to three years @ various markup rates. Profit earned from investments during the year amounts to Rs. 5,596,940 where as it was Rs. 4,132,440 during last corresponding year.

Reserves and Funds

<u>Reserves and Funds</u>	June 30, 2008	June 30, 2007
Opening Balance of Reserve fund	7,751,821	7,448,986
Transfer form surplus available for appropriation	62,982	217,920
<u>Members Contribution</u>	0	
Membership fees, Development and Welfare Fund	68,200	87,915
	<u>7,883,003</u>	<u>7,754,821</u>
<u>Distributed To:</u>		
Charitable fund	-	-
Families of Deceased Members	10,000	3,000
Fund as on June 30, 2007	<u>7,873,003</u>	<u>7,751,821</u>
Un appropriated Surplus	<u>1,292,548</u>	<u>1,341,656</u>
TOTAL	9,165,551	9,093,477

Expenses

Administrative expenses more or less equal compare to the last corresponding year. Financial expenses increased due to increase in deposits from the members.

DEPOSITS	June 30, 2008	June 30, 2007
Fixed Term Deposit	22,690,235	16,194,360
Saving Deposits	41,338,288	38,153,770
TOTAL	64,028,523	54,348,130

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

Profit paid to Saving Account Holders, Term Depositors, MPPD holders and Dividend to the shareholders for last 6 years compare as under:

S.#	Financial Year	MPPD %	CSD %	Profit on CSD %	Dividend %	Term Deposit %	Saving Deposit %
1	2000-2001	12	4	10	10	10	7
2	2001-2002	12	4	10	10	8	8
3	2002-2003	12	8	7	10	8	3.5
4	2003-2004	12	8	7	10	8	4
5	2004-2005	12	8	5	10	6	5
6	2005-2006	8	4	6	10	8.5	6
7	2006-2007	20	4	7	10	8.5	6
8	2007 - 2008	12	4	7	10	9, 9.5 & 10	7

PROPOSED APPROPRIATION OF SURPLUS AFTER TAXATION

The Board of Directors proposed appropriation of surplus after taxation, as required under the Bye Laws of the Society as under:

	June 30, 2008	June 30, 2007
Surplus before taxation	138,107	545,483
Taxation – Current	4,143	81,823
Surplus after taxation	<u>133,964</u>	<u>463,660</u>
Un-appropriated Surplus brought forward	1,341,656	1,218,624
Surplus available for appropriation	<u>1,475,620</u>	<u>1,682,286</u>

Appropriations Under Bye-Laws Sec IX

Reserve Fund @ 10% 46(a)	13,396	46,366
Dividend Payable @ 10% 46(b)	120,110	122,710
Dividend Equalization fund @ 2% 46(c)	2,679	9,273
Building Fund @ 20% (2006: 20%) 46(d-1)	26,793	92,732
Co-operative Education Fund @ 10% 46(d-iii)	13,396	46,366
Charitable fund @ 5% 46(d-iv)	6,698	23,183
Reserve For Bad & Doubtful Debts	-	-
	<u>183,072</u>	<u>340,630</u>
Un-appropriated surplus carried over	<u>1,292,548</u>	<u>1,341,656</u>

LOAN TO MEMBERS

Loan secured against personal sureties of members	9,411,184	9,575,601
Loan secured against term deposits	4,555,870	2,585,800
Loan secured against mortgage of properties	533,917	1,738,461

DEPOSITS, SAVING & TERM DEPOSIT ACCOUNTS

Members' Saving Deposits	41,338,288	38,153,770
Member's Term Deposit :	22,690,235	16,194,360
Individual	21,110,235	15,194,360
Institution	1,580,000	1,000,000

INVESTMENT FUND

The management is doing its best so that the funds of the society be invested on profitable manner. We are thankful to the directors of the society for their keen interest to secure the investment and to get the maximum benefit out of it.

Investment of the Society as on 30th June 2008

Government Securities	465	465
Co-operative Societies	11,600	7,513,950
Financial Institutions – Banks	63,070,912	40,290,618
Total	63,082,977	47,805,033

MOHAMMAD NOORUDIN ALI MOHAMMAD
President

SADRUDDIN SHARIFF
Honorary Secretary

GRATITUDES AND APPRECIATIONS:

All Share Holders
Account Holders – Depositors
Board of Directors
Manager and Staff
Honorary Workers
Deputy Registrar Co-operative Societies
Feroz Admani of Feroz Aziz & Company, Tax Advisor
Government Special Auditors
The Federation of Ismaili Co-operative Societies Limited
Mr. Sultan A. Allana Hon. Legal Advisor
Mr. Saleem Ghulam Hussain Merchant, Honorary Advisor
Shia Imami Ismaili Council for Karachi & Baluchistan
Shia Imami Ismaili Council for Karimabad
Aga Khan Economic Planning Board for Pakistan
All Ismaili Co-operative Societies Limited
Mukhi & Kamadia Saheban of Salimahabad Jamat Khana
All Institutions of Salimahabad Jamat

AUDITORS' REPORT TO THE MEMBERS

We have examined the annexed Balance Sheet of **THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED** Karachi as at June 30, 2008 and the related Income & Expenditure Account for the year then ended together with the note forming part thereto. These financial statements are the responsibility of the Society's Management. Our responsibility is to express an opinion on these financial statements based on our audit. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances and we report that, in our opinion and to the best of our information and according to the explanation given to us, the Balance Sheet and the related Income and Expenditure Accounts, which are in agreement with the books of account, exhibit respectively a fair view of state of the Society's affairs as at June 30, 2008 and of the surplus for the year ended on the date.

Feroz Aziz & Company

Chartered Accountants

Karachi September 3, 2008

**BALANCE SHEET
AS ON JUNE 30, 2008**

CAPITAL AND LIABILITIES	Note	2008 Rupees	2007 Rupees
<u>Share Capital and Reserves</u>			
Authorized capital	2	10,000,000	10,000,000
Issued, subscribed & paid-up capital	3	1,201,100	1,227,100
Reserves and Funds	4	7,873,003	7,751,821
Unappropriated Surplus		1,292,548	1,341,656
		9,165,551	9,093,477
Members' profit participation deposits		8,115,660	8,540,250
Members' compulsory saving deposits		2,838,243	1,848,386
<u>Current Liabilities & Provisions</u>			
Fixed Term Deposits	5	22,690,235	16,194,360
Saving Deposits (repayable on demand)		41,338,288	38,153,770
Accrued, expenses and other liabilities	6	5,345,446	4,090,895
Dividend payable		384,165	296,285
Provision for Taxation		155,589	151,446
		69,933,723	58,886,756
Annexed notes form an integral part of these accounts		91,254,277	79,595,969
<u>PROPERTY & ASSETS</u>			
<u>Tangible Fixed Assets</u>			
Operating fixed assets	7	626,445	621,076
Loan to members (receivable after one year)	8	8,485,490	6,393,201
<u>Current Assets</u>			
Investments	9	63,082,977	47,805,033
Loan to members (receivable within one year)		6,015,481	7,506,661
Service charges receivable from members		1,394,419	1,022,148
Profit accrued on investments	10	2,812,864	2,336,451
Advances, deposits, pre-payments & other receivables	11	2,350,528	1,817,259
Cash and bank balances	12	6,486,073	12,094,140
		82,142,342	72,581,692
Annexed notes form an integral part of these accounts		91,254,277	79,595,969

MOHAMMAD NOORUDIN ALI MOHAMMAD
President

SADRUDDIN SHARIFF
Honorary Secretary

HABIB A. KHAIRANI
Honorary Treasurer

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2008**

<u>INCOME</u>	Note	2008 Rupees	2007 Rupees
Service charges on loan to members		1,561,271	1,568,577
Income from Co-operative Societies	13	241,459	1,051,212
Profit on Defence Saving Certificates		-	-
Profit from Investments		4,052,783	-
Profit from PLS account with banks		1,544,157	4,132,440
		5,596,940	4,132,440
		7,399,670	6,752,229
<u>EXPENDITURE</u>			
Administrative & General	14	1,385,140	1,358,736
Financial	15	5,876,423	4,848,008
		7,261,563	6,206,744
Surplus before taxation		138,107	545,485
Taxation - Current		4,143	81,823
Surplus after taxation		133,964	463,662
Un-appropriated Surplus brought forward		1,341,656	1,218,624
Surplus available for appropriation		1,475,620	1,682,286
<u>Appropriations</u>			
Reserve Fund @ 10%		13,396	46,366
Dividend Payable @ 10%		120,110	122,710
Dividend Equalization fund @ 2%		2,679	9,273
Building Fund @ 20% (2006: 20%)		26,793	92,732
Co-operative Education @ 10%		13,396	46,366
Charitable fund @ 5%		6,698	23,183
Reserve For Bad & Doubtful Debts		-	-
		183,072	340,630
Unappropriated surplus carried over		1,292,548	1,341,656

Annexed notes form an integral part of these accounts

MOHAMMAD NOORUDIN ALI MOHAMMAD
President

SADRUDDIN SHARIFF
Honorary Secretary

HABIB A. KHAIRANI
Honorary Treasurer

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Principal accounting policies have been adopted in the preparation of these accounts are as follows:

1.1 **Accounting convention**

These accounts have been prepared on historical cost convention, except to the extent stated at Note No. 1.5

1.2 **Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation except for land which is stated at cost.

Depreciation is charged on diminishing balance method at the rates stated in the notes to the accounts. Full year's depreciation is charged on addition of assets while no depreciation is charged in the year of disposal.

Major renewals and improvements are capitalized and the asset so replaced is retired. Gain or loss on disposal is charged to income currently.

1.3 **Investments**

The society determines the appropriate classification of its investments in accordance with the requirements of the International Accounting Standards (IAS 39); "Financial Instruments: Recognition and Measurement " at the time of purchase and reevaluates this classification on a regular basis. The existing investment portfolio of the fund has been categorized as available for sale.

Investments are initially recognized at cost inclusive of transaction costs. Investments categorized as available for sale are re-measured at their fair values and the surplus/ deficit arising due to fluctuation of fair value is taken to the revenue account. However, in accordance with IAS 39, the fund existing investments in Defence Saving Certificates and Unit Certificates have been valued at amortized cost.

Investments are de-recognized when the right to receive cash flows from the investment has expired or has been transferred and the fund has transferred substantially all risk and rewards of ownership.

1.4 **Revenue recognition**

Income is recognized on accrual basis.

1.5 **Donations**

Donation of fixed assets, if received, is recorded at their fair market value.

	2008	2007
	Rupees	Rupees
2. <u>AUTHORIZED CAPITAL</u>		
1,000,000 ordinary shares of Rs. 10 each	<u>10,000,000</u>	<u>10,000,000</u>
3. <u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>		
120,110 (2007:127,100) ordinary shares of Rs 10/- each	<u>1,201,100</u>	<u>1,227,100</u>

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

4. RESERVES AND FUNDS

Movement in and composition of Reserves & Funds are as follows :

	General Reserves	Development Fund	Welfare Fund	Dividend Equalization Fund	Co-operative Education Fund	Charitable Fund	Reserve for Bad & Doubtful Debts	Building Fund	Computerisation Fund	Total 2008	Total 2007
Balance at the beginning of the year	2,745,940	124,000	851,200	74,703	826,702	368,689	800,000	1,760,587	200,000	7,751,821	7,448,986
Transfer from Income & Expenditure Account	13,396	-	-	2,679	13,396	6,698	-	26,793	-	62,962	217,920
Membership fees	20	-	-	-	-	-	-	-	-	20	15
Contributed by new members	-	100	68,100	-	-	-	-	-	-	68,200	87,900
Contributed by loanees	-	-	-	-	-	-	-	-	-	-	-
Contributed to the families of deceased members	-	-	(10,000)	-	-	-	-	-	-	(10,000)	(3,000)
Donation paid during the year	-	-	-	-	-	-	-	-	-	-	-
Rupees	2,759,356	124,100	909,300	77,382	840,098	375,387	800,000	1,787,380	200,000	7,873,003	7,751,821

5. <u>FIXED TERM DEPOSITS</u>	2008 Rupees	2007 Rupees
Individuals	21,110,235	15,194,360
Institutions	1,580,000	1,000,000
	<u>22,690,235</u>	<u>16,194,360</u>
6. <u>ACCRUED EXPENSES AND OTHER LIABILITIES</u>		
Accrued Expenses:		
Staff benefits	81,450	139,933
Audit & Utilities	25,000	27,128
Others	597,604	-
	704,054	167,061
Profit on members' deposits payable:		
Members' profit participation deposit	2,328,744	1,802,210
Members' compulsory saving deposit	727,467	1,300,759
Payable Others	289,726	-
Fixed term deposits (note 6.1)	1,271,636	759,377
	4,617,573	3,862,346
Other Liabilities:		
Security deposits by loan sureties	16,914	16,914
Others - Income Tax	-	17,669
Share money deposits	26,905	26,905
	43,819	61,488
	<u>5,365,446</u>	<u>4,090,895</u>

- 6.1 Fixed term deposits (FTD) are issued for a period of one year at the fixed rate of interest. However, where such FTDs are encashed after the maturity date, the society, in addition to fixed rate of interest, also pays interest at the rate applicable to saving accounts from the date of expiry of fixed term till the date of encashment of FTD.

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

7. FIXED ASSETS

PARTICULARS	Cost			Rate %	Depreciation			Written Down Value As at June 30,2008
	as at July 1, 2007	Addition/ (Deletion) during the year	as at June 30, 2008		as at July 1, 2007	for the year	As at June 30, 2008	
Office Premises	595,158	-	595,158	10%	505,829	8,933	514,762	80,396
Furniture & Fixture	241,864	-	241,864	10%	180,523	6,134	186,657	55,207
Electric Fans & Office Equipments	413,056	89,000	502,056	10%	200,886	30,117	231,003	271,053
Computer and Accessories	984,202	16,500	1,000,702	20%	733,788	53,383	787,171	213,531
Motor Cycle	46,625	-	46,625	20%	38,803	1,564	40,367	6,258
Total 2008 - Rupees	2,280,905	105,500	2,386,405		1,659,829	100,131	1,759,960	626,445
Total 2007 - Rupees	2,173,100	107,805	2,280,905		1,554,954	104,875	1,659,829	621,076

8. <u>LOAN TO MEMBERS (RECEIVABLE AFTER ONE YEAR)</u>	2008 Rupees	2007 Rupees
Loan secured against personal sureties of member	9,411,184	9,575,601
Loan secured against Fixed Deposits Receipts	5,089,787	4,324,261
	14,500,971	13,899,862
Less: Current Maturity (receivable within one year)	6,015,481	7,506,661
	8,485,490	6,393,201

9. INVESTMENTS

Held Till Maturity

Khas deposit account with National Saving Centre	465	465
Pak Fidai General Co-operative Society Ltd.	-	7,500,000
Platinum Jubilee Multipurpose Co-operative Society Ltd.	11,600	11,600
IGI Investment Bank Limited	5,500,000	5,500,000
New Jubilee Insurance Limited	2,500,000	2,500,000
Crescent Investment Bank Limited (note 9.1)	4,000,000	5,000,000
Al Zamin Leasing	10,000,000	5,000,000
United Bank Limited – TFC	1,068,562	1,068,973
Muslim Commercial Bank Limited – TFC	-	221,645
MyBank Limited	5,000,000	7,500,000
Soneri Bank Limited	20,000,000	11,000,000
First Micro Finance Bank Limited	10,000,000	-
Faysal Bank Limited	5,000,000	-
Askari Bank Limited	-	2,500,000
	63,080,627	47,802,683

Available for Sale

10 Shares of Rs.100/- each of- Platinum Jubilee Multipurpose Co-Op. Society Ltd.	1,000	1,000
01 Share of Rs.1000/- each of- The Federation of Ismaili Co-Op. Societies Ltd.	1,000	1,000
01 Share of Organization for- Promotion of Credit Co-Operatives in Pakistan	100	100
01 Share of Sind Provincial Co-op. Union Limited	50	50
01 Share of Ismailia General Platinum Co-op. Society Ltd.	200	200
	2,350	2,350
	63,082,977	47,805,033

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

9.1 Recently, SECP removed members of board of directors of the bank and appointed Administrator to run the affairs. The society received a letter from Administrator seeking confirmation for repayment of investment in an installment along with markup @ 5% per annum. Within next five years. The society has reluctantly accepted repayment terms due to the financial conditions keeping in financial condition of the bank and in the best interest of the society. Keeping in view of the above, Society has decided to account for income on receipt basis. Subsequently, one installment of Rs. 1,000,000 has been received in accordance with the revised repayment schedule.

	2008 Rupees	2007 Rupees
10. PROFIT ACCRUED ON INVESTMENTS		
Profit Receivable from Financial Institutions	2,812,864	1,677,910
Profit Receivable from Co-operative Societies	-	658,541
	<u>2,812,864</u>	<u>2,336,451</u>
11. ADVANCES, DEPOSITS, PRE-PAYMENTS AND RECEIVABLES		
Advances:		
Advance paid to Employees	2,500	8,500
Advance Income Tax	2,345,978	1,806,709
	2,348,478	1,815,209
Deposits:		
For Telephone	550	550
For Bank locker	1,500	1,500
	2,050	2,050
	<u>2,350,528</u>	<u>1,817,259</u>
12. CASH AND BANK BALANCES		
Cash in hand	106,309	2,000
Cash at Banks:		
Bank Balances with Soneri Bank Limited		
I.I.Chundrigar Road Branch (Current A/C # 657-01)	43,300	270,275
I.I.Chundrigar Road Branch (Current A/C # 21493-01)	11,000	11,000
Garden Branch (Current A/C # 306-01)	5,600	16,275
Garden Branch (Current A/C # 19684-01)	55	10,055
Garden Branch (PLS A/C # 306-02)	143,690	970,227
Garden Branch (PLS A/C # 19684-02)	1,836,311	2,464,578
AKU. Branch (PLS A/C # 11733-01)	43,134	6,460
Water Pump Branch (PLS A/C # 600-01)	268,800	-
F.B.Area Branch (Current A/C # 14614-01)	15,000	10,025
F.B. Area Branch (PLS A/C # 1368-03)	51,032	54,654
F.B. Area Branch (PLS A/C # 14614-02)	2,865,792	2,526,337
F.B. Area Branch (Current A/C # 1368-01)	23,490	10,000
	5,307,204	6,349,886
NIB Bank (PLS A/C #79332)	5,559	4,950
My Bank Limited Current Account	10,000	10,000
My Bank Limited PLS Account	249,584	4,346,824
Askari Bank Limited PLS Account	792,791	1,358,946
Bank Al-Habib Ltd. (Current A/C # 081001216016)	13,676	21,534
The First Micro Finance Bank Limited	950	-
	6,379,764	12,092,140
	<u>6,486,073</u>	<u>12,094,140</u>

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

13. <u>INCOME FROM CO-OPERATIVE SOCIETIES</u>	2008 Rupees	2007 Rupees
Profit on deposits with Ismailia Co-operative Societies	241,459	1,051,212
	<u>241,459</u>	<u>1,051,212</u>
 14. <u>ADMINISTRATIVE AND GENERAL EXPENSES</u>		
Staff salaries & other benefits	486,830	489,735
Computer	78,860	73,470
Insurance	60,665	61,274
Repairs & maintenance	74,154	105,956
Printing & stationery	21,109	28,953
Audit Fees	20,000	25,000
Electricity and gas	65,430	63,276
Conveyance	33,703	26,100
Rent, rates and taxes	4,710	3,494
Postage, telegraph and telephone	41,647	38,077
Meetings and social activities	30,908	29,056
Advertisement	1,500	2,000
Annual General Meeting	90,493	117,270
Donation	275,000	190,200
Depreciation	100,131	104,875
	<u>1,385,140</u>	<u>1,358,736</u>
 15. <u>FINANCIAL EXPENSES</u>		
Bank Charges	1,338	300
Mark-Up on:		
Members' profit participation deposit	1,145,542	1,711,859
Members' compulsory saving deposit	322,596	309,579
Saving deposits	2,656,618	2,027,533
Fixed deposits	1,750,329	798,737
	5,875,085	4,847,708
	<u>5,876,423</u>	<u>4,848,008</u>

16. GENERAL

16.1 Figures of prior year have been re-arranged and re-grouped for the purpose of comparison.

16.2 Figures have been rounded off to nearest rupee.

MOHAMMAD NOORUDIN ALI MOHAMMAD
President

SADRUDDIN SHARIFF
Honorary Secretary

HABIB A. KHAIRANI
Honorary Treasurer

THE SALIMAHABAD ISMAILIA CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED, KARACHI

